## **RESEARCH APPENDIX**

Date Transfer Requested: 11/30/2018

(Per: CMH)

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Appendix A ≈ LRB 17-5979         Appendix W ≈ LRB 17-6028           Appendix B ≈ LRB 17-5982         Appendix X ≈ LRB 17-6031           Appendix C ≈ LRB 17-5983         Appendix Y ≈ LRB 17-6036           Appendix D ≈ LRB 17-5985         Appendix Z ≈ LRB 17-6037           Appendix E ≈ LRB 17-5986         Appendix AA ≈ LRB 17-6038           Appendix F ≈ LRB 17-5989         Appendix AB ≈ LRB 17-6039           Appendix G ≈ LRB 17-5990         Appendix DD ≈ LRB 17-6040           Appendix I ≈ LRB 17-5998         Appendix DD ≈ LRB 17-6041           Appendix I ≈ LRB 17-6001         Appendix E ≈ LRB 17-6042           Appendix K ≈ LRB 17-6004         Appendix G ≈ LRB 17-6043           Appendix M ≈ LRB 17-6006         Appendix H ≈ LRB 17-6046           Appendix M ≈ LRB 17-6007         Appendix HH ≈ LRB 17-6047           Appendix N ≈ LRB 17-6012         Appendix HH ≈ LRB 17-6048           Appendix N ≈ LRB 17-6015         Appendix K ≈ LRB 17-6049           Appendix Q ≈ LRB 17-6017         Appendix K ≈ LRB 17-6050           Appendix R ≈ LRB 17-6021         Appendix MM ≈ LRB 17-6051           Appendix S ≈ LRB 17-6023         Appendix NN ≈ LRB 17-6058           Appendix U ≈ LRB 17-6024         Appendix O ≈ LRB 17-6065           Appendix V ≈ LRB 17-6025         Appendix QQ ≈ LRB 17-6067		
Appendix C ≈ LRB 17-5983  Appendix Y ≈ LRB 17-6036  Appendix D ≈ LRB 17-5986  Appendix E ≈ LRB 17-5986  Appendix E ≈ LRB 17-5989  Appendix B ≈ LRB 17-6038  Appendix B ≈ LRB 17-6039  Appendix B ≈ LRB 17-6039  Appendix B ≈ LRB 17-6040  Appendix H ≈ LRB 17-5998  Appendix D ≈ LRB 17-6041  Appendix I ≈ LRB 17-5998  Appendix E ≈ LRB 17-6041  Appendix I ≈ LRB 17-6004  Appendix K ≈ LRB 17-6004  Appendix L ≈ LRB 17-6006  Appendix M ≈ LRB 17-6007  Appendix N ≈ LRB 17-6012  Appendix O ≈ LRB 17-6015  Appendix P ≈ LRB 17-6017  Appendix Q ≈ LRB 17-6017  Appendix R ≈ LRB 17-6019  Appendix M ≈ LRB 17-6021  Appendix S ≈ LRB 17-6021  Appendix N ≈ LRB 17-6058  Appendix N ≈ LRB 17-6024  Appendix N ≈ LRB 17-6059  Appendix O ≈ LRB 17-6059	Appendix A 🖙 LRB 17-5979	<b>Appendix W</b> ☞ LRB 17-6028
Appendix D	<b>Appendix B</b> ■ LRB 17-5982	<b>Appendix X</b> ☞ LRB 17-6031
Appendix E	Appendix C ☞ LRB 17-5983	<b>Appendix Y</b> ☞ LRB 17-6036
Appendix F ≈ LRB 17-5989       Appendix BB ≈ LRB 17-6039         Appendix G ≈ LRB 17-5990       Appendix CC ≈ LRB 17-6040         Appendix I ≈ LRB 17-5995       Appendix DD ≈ LRB 17-6041         Appendix J ≈ LRB 17-5998       Appendix EE ≈ LRB 17-6042         Appendix K ≈ LRB 17-6001       Appendix FF ≈ LRB 17-6043         Appendix L ≈ LRB 17-6006       Appendix GG ≈ LRB 17-6046         Appendix M ≈ LRB 17-6007       Appendix HH ≈ LRB 17-6047         Appendix N ≈ LRB 17-6012       Appendix II ≈ LRB 17-6048         Appendix P ≈ LRB 17-6015       Appendix KK ≈ LRB 17-6050         Appendix Q ≈ LRB 17-6019       Appendix LL ≈ LRB 17-6051         Appendix R ≈ LRB 17-6021       Appendix MM ≈ LRB 17-6052         Appendix S ≈ LRB 17-6023       Appendix NN ≈ LRB 17-6058         Appendix O ≈ LRB 17-6024       Appendix OO ≈ LRB 17-6059         Appendix U ≈ LRB 17-6025       Appendix PP ≈ LRB 17-6065	Appendix D 🖙 LRB 17-5985	<b>Appendix Z</b> ☞ LRB 17-6037
Appendix G ≈ LRB 17-5990       Appendix CC ≈ LRB 17-6040         Appendix H ≈ LRB 17-5995       Appendix DD ≈ LRB 17-6041         Appendix I ≈ LRB 17-5998       Appendix EE ≈ LRB 17-6042         Appendix J ≈ LRB 17-6001       Appendix EE ≈ LRB 17-6043         Appendix L ≈ LRB 17-6006       Appendix GG ≈ LRB 17-6046         Appendix N ≈ LRB 17-6007       Appendix HH ≈ LRB 17-6047         Appendix N ≈ LRB 17-6012       Appendix II ≈ LRB 17-6048         Appendix Q ≈ LRB 17-6015       Appendix KK ≈ LRB 17-6049         Appendix Q ≈ LRB 17-6017       Appendix LL ≈ LRB 17-6050         Appendix R ≈ LRB 17-6021       Appendix MM ≈ LRB 17-6051         Appendix S ≈ LRB 17-6023       Appendix NN ≈ LRB 17-6058         Appendix U ≈ LRB 17-6025       Appendix OO ≈ LRB 17-6059         Appendix U ≈ LRB 17-6025       Appendix PP ≈ LRB 17-6065	Appendix E 🖝 LRB 17-5986	<b>Appendix AA</b> ☞ LRB 17-6038
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Appendix N. ■ LRB 17-6012       Appendix JJ ■ LRB 17-6049         Appendix P ■ LRB 17-6017       Appendix KK ■ LRB 17-6050         Appendix Q ■ LRB 17-6019       Appendix LL ■ LRB 17-6051         Appendix R ■ LRB 17-6021       Appendix MM ■ LRB 17-6052         Appendix S ■ LRB 17-6023       Appendix NN ■ LRB 17-6058         Appendix T ■ LRB 17-6024       Appendix OO ■ LRB 17-6059         Appendix U ■ LRB 17-6025       Appendix PP ■ LRB 17-6065	<b>Appendix M ☞</b> LRB 17-6007	
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Appendix P ≈ LRB 17-6017       Appendix LL ≈ LRB 17-6051         Appendix R ≈ LRB 17-6021       Appendix MM ≈ LRB 17-6052         Appendix S ≈ LRB 17-6023       Appendix NN ≈ LRB 17-6058         Appendix T ≈ LRB 17-6024       Appendix OO ≈ LRB 17-6059         Appendix U ≈ LRB 17-6025       Appendix PP ≈ LRB 17-6065	<b>Appendix O</b> ☞ LRB 17-6015	Appendix JJ ☞ LRB 17-6049
Appendix Q ≈ LRB 17-6019       Appendix MM ≈ LRB 17-6052         Appendix S ≈ LRB 17-6023       Appendix NN ≈ LRB 17-6058         Appendix T ≈ LRB 17-6024       Appendix OO ≈ LRB 17-6059         Appendix U ≈ LRB 17-6025       Appendix PP ≈ LRB 17-6065	Appendix P 🖙 LRB 17-6017	<b>Appendix KK</b> ☞ LRB 17-6050
Appendix S ■ LRB 17-6023       Appendix NN ■ LRB 17-6058         Appendix T ■ LRB 17-6024       Appendix OO ■ LRB 17-6059         Appendix U ■ LRB 17-6025       Appendix PP ■ LRB 17-6065	<b>Appendix Q</b> ☞ LRB 17-6019	Appendix LL S LRB 17-6051
Appendix T ■ LRB 17-6024       Appendix OO ■ LRB 17-6059         Appendix U ■ LRB 17-6025       Appendix PP ■ LRB 17-6065	<b>Appendix R</b> ☞ LRB 17-6021	<b>Appendix MM ☞</b> LRB 17-6052
Appendix U ☞ LRB 17-6025 Appendix PP ☞ LRB 17-6065	Appendix S ☞ LRB 17-6023	Appendix NN ☞ LRB 17-6058
	Appendix T ☞ LRB 17-6024	<b>Appendix OO</b> ☞ LRB 17-6059
<b>Appendix V</b> ☞ LRB 17-6027 <b>Appendix QQ</b> ☞ LRB 17-6067	Appendix U 🖙 LRB 17-6025	<b>Appendix PP</b> ☞ LRB 17-6065
	Appendix V 🖙 LRB 17-6027	<b>Appendix QQ</b> ☞ LRB 17-6067

### 2017 DRAFTING REQUEST

Bill

For:

Robin Vos (608) 266-9171

Drafter:

tdodge

By:

Steve

Secondary Drafters:

Date:

11/20/2018

May Contact:

Same as LRB:

Submit via email:

YES

Requester's email:

Rep.Vos@legis.wisconsin.gov

Carbon copy (CC) to:

tamara.dodge@legis.wisconsin.gov steve.fawcett@legis.wisconsin.gov Alicia.Schweitzer@legis.wisconsin.gov

Abbey.Fabick@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topie:

Codify reinsurance program waiver

**Instructions:** 

Codify 1332 waiver - reinsurance program

**Drafting History:** 

Vers.	<u>Drafted</u>	Reviewed	Submitted	<u>Jacketed</u>	Required
/? .	tdodge 11/23/2018	kmochal 11/23/2018			
/P1	chanaman 11/29/2018	aernsttr 11/29/2018	dwalker 11/26/2018		
/P2	tdodge 11/29/2018	aernsttr 11/29/2018	lparisi 11/29/2018		
/P3			lparisi		

Vers. <u>Drafted</u>

Reviewed

Submitted 11/29/2018 <u>Jacketed</u>

Required

FE Sent For:

<**END**>



## State of Misconsin 2017 - 2018 LEGISLATURE

LRB-6041DeP

Wisconsi, Headthoan

In:11/23

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT (relating to: requiri

AN ACT .; relating to: requiring operation of the Wisconsin Healthcare Stability

Plan in accordance with federal approval.

Analysis by the Legislative Reference Bureau

This bill requires the commissioner of insurance to administer the Wisconsin Healthcare Stability Plan (WIHSP) in accordance with the specific terms and conditions approved by the federal Department of Health and Human Services dated July 29, 2018. 2017 Wisconsin Act 138 required the commissioner to administer a state-based reinsurance program known as WIHSP and allowed the commissioner to request a waiver under federal law to implement the plan. Under current law, WIHSP make a reinsurance payment to a health insurance carrier if the claims for an individual who is enrolled in a health benefit plan with that carrier exceed a threshold amend in a benefit year. The federal DHHS approved the commissioner's waiver request under specific terms and conditions dated July 29, 2018. The bill requires the commissioner to administer WIHSP in accordance with those specific terms and conditions. The bill prohibits the commissioner from requesting modification, suspension, withdrawal, or termination of the waiver unless legislation has been enacted directing the modification, suspension, withdrawal, or termination. The bill requires the commissioner to complete and submit any reports, provide any information, and participate in any oversight activities required by the federal DHHS to implement and maintain WIHSP. The bill sets the payment parameters for WIHSP as specified by the federal approval for the 2019 benefit year

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(5)

and prohibits the commissioner from changing those payment parameters for the 2019 benefit year.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows: 1 **SECTION 1.** 601.83 (1) (a) of the statutes is amended to read: 2 601.83 (1) (a) Subject to par. (b), the The commissioner shall administer a 3 state-based reinsurance program known as the healthcare stability plan in 4 accordance with the specific terms and conditions approved by the federal 5 department of health and human services dated July 29, 2018. Before December 31. 6 2023, the commissioner may not request from the federal department of health and 7 human services a modification, suspension, withdrawal, or termination of the waiver under 42 USC 18052 under which the healthcare stability plan under this 8 9 subchapter operates unless legislation has been enacted specifically directing the modification, suspension, withdrawal, or termination. Before December 31, 2023, 10 11 the commissioner may request renewal, without substantive change, of the waiver under 42 USC 18052 under which the health care stability plan operates (f the 12 request unless legislation has been enacted that is contrary to such a renewal 13 na created by 2017 wisconsin Act 14 request. History: 2017 a. 138. SECTION 2. 601.83 (1) (b) of the statutes/is repealed. 15 **SECTION 3.** 601.83 (1) (g) of the statutes is amended to read: 16 17 601.83 (1) (g) The commissioner may promulgate any rules necessary to 18 implement the healthcare stability plan under this section, except that any rules 19 promulgated under this paragraph shall seek to maximize federal funding for the 20 healthcare stability plan and shall comply with this section and with the approval

on that date.

1	by the federal department of health and human services dated July 29, 2018. The
2	commissioner may promulgate rules necessary to implement this section as
3	emergency rules under s. 227.24. Notwithstanding s. 227.24 (1) (a) and (3), the
4	commissioner is not required to provide evidence that promulgating a rule under this
5	paragraph as an emergency rule is necessary for the preservation of the public peace,
6	health, safety, or welfare and is not required to provide a finding of emergency for a
7	rule promulgated under this paragraph.
	History: 2017 a. 138.
8	rule promulgated under this paragraph.  History: 2017 a. 138.  SECTION 4. 601.83 (1) (h) of the statutes is amended to read:  601.83 (1) (h) In 2019 and in each subsequent year, the commissioner may expend no more than \$200,000,000 from all revenue sources for the healthcare
9	601.83 (1) (h) In 2019 and in each subsequent year, the commissioner may
10	expend no more than \$200,000,000 from all revenue sources for the healthcare
11	stability plan under this section, unless the joint committee on finance under s. $13.10$
12	has increased this amount upon request by the commissioner. The commissioner
13	shall ensure that sufficient funds are available for the healthcare stability plan
14	under this section to operate as described in the approval of the federal department
15	of health and human services dated July 29, 2018.
	History: 2017 a. 138.
16	SECTION 5. 601.83 (1) (i) of the statutes is created to read:
17	601.83(1)(i). The commissioner shall complete and submit any reports, provide
18	any information, and participate in any oversight activities required by the federal
19	department of health and human services to implement and maintain the healthcare
20	stability plan under this subchapter.  _ ^ as created by 2017 Wisconsin Act
21	stability plan under this subchapter.  SECTION 6. 601.85 (4) of the statutes is repealed.  ****Note: This provision required the commissioner to submit recommendations
	****NOTE: This provision required the commissioner to submit recommendations

to the governor on any possible additional waivers and other options. Since the deadline for submitting recommendations is December 31, 2018, this draft repeals the provision

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Section 7. Nonstatutory provisions.

(1) WISCONSIN HEALTHCARE STABILITY PLAN 2019 PAYMENT PARAMETERS. Notwithstanding 2017 Wisconsin Act (39), section 11 (1), for the 2019 benefit year, the commissioner of insurance shall set as payment parameters for the healthcare stability plan under subch. VII of ch. 601 an attachment point of \$50,000, a coinsurance rate of 50 percent, and a reinsurance cap of \$250,000. The commissioner of insurance may not adjust the payment parameters for the 2019 benefit year.

(END)

Effective date. The treatment

tales effect on December 31, 20180

#### Dodge, Tamara

From:

Fabick, Abbey

Sent:

Thursday, November 29, 2018 4:15 PM

To:

Dodge, Tamara

Subject: Attachments:

FW: stat draft WIHSP extension stat draft WIHSP extention.docx

Can you add the attached language to the 1332 waiver draft language? The goal of it is to do the following:

If you are moving forward with the reinsurance amendment you may want to include this language allowing the emergency rule to stay in place for a longer period of time. This will ensure our emergency rule remains in effect until a subsequent emergency rule or permanent rule is adopted. This will avoid the timing issues of having an emergency rule expire without a permanent rule established.

SECTION 1: 601.83 (1) (g) of the statute is amended to read:

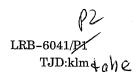
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- 3 601.83 (1) (g) The commissioner may promulgate any rule necessary to implement the
- 4 healthcare stability plan under this section, except that any rules promulgated under this
- 5 paragraph shall seek to maximize federal funding for the healthcare stability plan. The
- 6 commissioner may promulgate rules necessary to implement this section as emergency rules .
- 7 under s. 277.24. Notwithstanding s. 227.24 (1) (a), (c) and (3), the commissioner is not required
- 8 to provide evidence that promulgating a rule is necessary for the preservation of the public
- 9 peace, health, safety, or welfare; the rule promulgated by the commissioner under this
- 10 paragraph will not expire until it is superseded by a subsequent emergency or permanent rule;
- and the commissioner is not required to provide a finding of emergency for a rule promulgated
- 12 under this paragraph.



### State of Misconsin 2017 - 2018 LEGISLATURE



#### PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT to repeal 601.83 (1) (b) and 601.85 (4); to amend 601.83 (1) (a), 601.83 (1) (g) and 601.83 (1) (h); and to create 601.83 (1) (i) of the statutes; relating to: requiring operation of the Wisconsin Healthcare Stability Plan in accordance with federal approval.

#### Analysis by the Legislative Reference Bureau

2017 Wisconsin Act 138 required the commissioner of insurance to administer a state-based reinsurance program, the Wisconsin Healthcare Stability Plan (known as WIHSP), and allowed the commissioner to request a waiver under federal law to implement the plan. Under current law, WIHSP makes a reinsurance payment to a health insurance carrier if the claims for an individual who is enrolled in a health benefit plan with that carrier exceed a threshold amount in a benefit year. The federal DHHS approved the commissioner's waiver request under specific terms and conditions dated July 29, 2018. The bill requires the commissioner to administer WIHSP in accordance with those specific terms and conditions. The bill prohibits the commissioner from requesting modification, suspension, withdrawal, or termination of the waiver unless legislation has been enacted directing the modification, suspension, withdrawal, or termination. The bill requires the commissioner to complete and submit any reports, provide any information, and participate in any oversight activities required by the federal DHHS to implement and maintain WIHSP. The bill sets the payment parameters for WIHSP as specified by the federal

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approval for the 2019 benefit year and prohibits the commissioner from changing those payment parameters for the 2019 benefit year.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 601.83 (1) (a) of the statutes, as created by 2017 Wisconsin Act 138. is amended to read: 601.83 (1) (a) Subject to par. (b), the The commissioner shall administer a state-based reinsurance program known as the healthcare stability plan in accordance with the specific terms and conditions approved by the federal department of health and human services dated July 29, 2018. Before December 31. 2023, the commissioner may not request from the federal department of health and human services a modification, suspension, withdrawal, or termination of the waiver under 42 USC 18052 under which the healthcare stability plan under this subchapter operates unless legislation has been enacted specifically directing the modification, suspension, withdrawal, or termination. Before December 31, 2023. the commissioner may request renewal, without substantive change, of the waiver under 42 USC 18052 under which the health care stability plan operates unless legislation has been enacted that is contrary to such a renewal request. SECTION 2. 601.83 (1) (b) of the statutes, as created by 2017 Wisconsin Act 138, is repealed. SECTION 3. 601.83 (1) (g) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read: 601.83 (1) (g) The commissioner may promulgate any rules necessary to implement the healthcare stability plan under this section, except that any rules

promulgated under this paragraph shall seek to maximize federal funding for the

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TJD:klm
SECTION 3
and (c)

	and (C)
1	healthcare stability plan and shall comply with this section and with the approval
2	by the federal department of health and human services dated July 29, 2018. The
3	commissioner may promulgate rules necessary to implement this section as
4	emergency rules under s. 227.24. Notwithstanding s. 227.24 (1) (a) and (3), the
5	commissioner is not required to provide evidence that promulgating a rule under this
6	paragraph as an emergency rule is necessary for the preservation of the public peace,
7	health, safety, or welfare and is not required to provide a finding of emergency for a
8	rule promulgated under this paragraph. The commissiones
9	SECTION 4. 601.83 (1) (h) of the statutes, as created by 2017 Wisconsin Act 138,
10	is amended to read:  the rule promulgated by the Commissioner  to
11	601.83 (1) (h) In 2019 and in each subsequent year, the commissioner may
12	expend no more than \$200,000,000 from all revenue sources for the healthcare
13	stability plan under this section, unless the joint committee on finance under s. 13.10
14	has increased this amount upon request by the commissioner. The commissioner
15	shall ensure that sufficient funds are available for the healthcare stability plan
16	under this section to operate as described in the approval of the federal department
17	of health and human services dated July 29, 2018.
18	SECTION 5. 601.83 (1) (i) of the statutes is created to read:
19	601.83 (1) (i) The commissioner shall complete and submit any reports, provide
20	any information, and participate in any oversight activities required by the federal
21	department of health and human services to implement and maintain the healthcare
22	stability plan under this subchapter.
23	SECTION 6. 601.85 (4) of the statutes, as created by 2017 Wisconsin Act 138, is
24	repealed.  Superfield by a subsequent

emergency or permanent rate

\*\*\*\*Note: This provision required the commissioner to submit recommendations to the governor on any possible additional waivers and other options. Since the deadline for submitting recommendations is December 31, 2018, this draft repeals the provision on that date.

#### SECTION 7. Nonstatutory provisions.

(1) WISCONSIN HEALTHCARE STABILITY PLAN 2019 PAYMENT PARAMETERS. Notwithstanding 2017 Wisconsin Act 138, SECTION 11 (1), for the 2019 benefit year, the commissioner of insurance shall set as payment parameters for the healthcare stability plan under subch. VII of ch. 601 an attachment point of \$50,000, a coinsurance rate of 50 percent, and a reinsurance cap of \$250,000. The commissioner of insurance may not adjust the payment parameters for the 2019 benefit year.

#### Section 8. Effective date.

(1) The treatment of s. 601.85 (4) takes effect on December 31, 2018.

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(END)

#### Dodge, Tamara

From:

Sent:

Fabick, Abbey Thursday, November 29, 2018 5:54 PM Dodge, Tamara FW: Updated version stat draft WIHSP extention V2.docx

To: Subject:

Attachments:

Here's the slightly updated language I referred to a few minutes ago for 1332 waiver bill draft.

Thank you!! Abbey

**SECTION 1**: 601.83 (1) (g) of the statute is amended to read:

2

13

14

permanent rule.

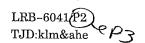
1

601.83 (1) (g) The commissioner may promulgate any rule necessary to implement the 3 4 healthcare stability plan under this section, except that any rules promulgated under this 5 paragraph shall seek to maximize federal funding for the healthcare stability plan. The 6 commissioner may promulgate rules necessary to implement this section as emergency rules 7 under s. 277.24. Notwithstanding s. 227.24 (1) (a), (c) and (3), the commissioner is not required 8 to provide evidence that promulgating a rule is necessary for the preservation of the public 9 peace, health, safety, or welfare; the rule promulgated by the commissioner under this 10 paragraph will not expire until it is superseded by a subsequent emergency or permanent rule; and the commissioner is not required to provide a finding of emergency for a rule promulgated 11 12 under this paragraph. An emergency rule promulgated by the commissioner under this

paragraph prior to January 1, 2019, will not expire until it is superseded by a subsequent



### State of Misconsin 2017 - 2018 LEGISLATURE



In:11/29

#### PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT to repeal 601.83 (1) (b) and 601.85 (4); to amend 601.83 (1) (a), 601.83 (1) (g) and 601.83 (1) (h); and to create 601.83 (1) (i) of the statutes; relating to: requiring operation of the Wisconsin Healthcare Stability Plan in accordance with federal approval.

#### Analysis by the Legislative Reference Bureau

2017 Wisconsin Act 138 required the commissioner of insurance to administer a state-based reinsurance program, the Wisconsin Healthcare Stability Plan (known as WIHSP), and allowed the commissioner to request a waiver under federal law to implement the plan. Under current law, WIHSP makes a reinsurance payment to a health insurance carrier if the claims for an individual who is enrolled in a health benefit plan with that carrier exceed a threshold amount in a benefit year. The federal DHHS approved the commissioner's waiver request under specific terms and conditions dated July 29, 2018. The bill requires the commissioner to administer WIHSP in accordance with those specific terms and conditions. The bill prohibits the commissioner from requesting modification, suspension, withdrawal, or termination of the waiver unless legislation has been enacted directing the modification, suspension, withdrawal, or termination. The bill requires the commissioner to complete and submit any reports, provide any information, and participate in any oversight activities required by the federal DHHS to implement and maintain WIHSP. The bill sets the payment parameters for WIHSP as specified by the federal

approval for the 2019 benefit year and prohibits the commissioner from changing those payment parameters for the 2019 benefit year.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 601.83 (1) (a) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 (1) (a) Subject to par. (b), the The commissioner shall administer a state-based reinsurance program known as the healthcare stability plan in accordance with the specific terms and conditions approved by the federal department of health and human services dated July 29, 2018. Before December 31, 2023, the commissioner may not request from the federal department of health and human services a modification, suspension, withdrawal, or termination of the waiver under 42 USC 18052 under which the healthcare stability plan under this subchapter operates unless legislation has been enacted specifically directing the modification, suspension, withdrawal, or termination. Before December 31, 2023, the commissioner may request renewal, without substantive change, of the waiver under 42 USC 18052 under which the health care stability plan operates unless legislation has been enacted that is contrary to such a renewal request.

**Section 2.** 601.83 (1) (b) of the statutes, as created by 2017 Wisconsin Act 138, is repealed.

Section 3. 601.83 (1) (g) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 (1) (g) The commissioner may promulgate any rules necessary to implement the healthcare stability plan under this section, except that any rules promulgated under this paragraph shall seek to maximize federal funding for the

by the federal department of health and human services dated July 29, 2018. The commissioner may promulgate rules necessary to implement this section as emergency rules under s. 227.24. Notwithstanding s. 227.24 (1) (a) and (c), (2), and (3), the commissioner is not required to provide evidence that promulgating a rule under this paragraph as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare; the rule promulgated by the commissioner under this paragraph remains in effect until it is superseded by a subsequent emergency or permanent rule; and the commissioner is not required to provide a finding of emergency for a rule promulgated under this paragraph.

**SECTION 4.** 601.83 (1) (h) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 (1) (h) In 2019 and in each subsequent year, the commissioner may expend no more than \$200,000,000 from all revenue sources for the healthcare stability plan under this section, unless the joint committee on finance under s. 13.10 has increased this amount upon request by the commissioner. The commissioner shall ensure that sufficient funds are available for the healthcare stability plan under this section to operate as described in the approval of the federal department of health and human services dated July 29, 2018.

**SECTION 5.** 601.83 (1) (i) of the statutes is created to read:

601.83(1) (i) The commissioner shall complete and submit any reports, provide any information, and participate in any oversight activities required by the federal department of health and human services to implement and maintain the healthcare stability plan under this subchapter.

12

1	SECTION 6. 601.85 (4) of the statutes, as created by 2017 Wisconsin Act 138, is
2	repealed.
	NOTE: This provision required the commissioner to submit recommendations to the governor on any possible additional waivers and other options. Since the deadline for submitting recommendations is December 31, 2018, this draft repeals the provision on that date.
3	Section 7. Nonstatutory provisions.
4	(1) Wisconsin Healthcare Stability Plan 2019 payment parameters.
5	Notwithstanding 2017 Wisconsin Act 138, SECTION 11 (1), for the 2019 benefit year,
6	the commissioner of insurance shall set as payment parameters for the healthcare
7	stability plan under subch. VII of ch. 601 an attachment point of \$50,000, a
8	coinsurance rate of 50 percent, and a reinsurance cap of \$250,000. The commissioner
9	of insurance may not adjust the payment parameters for the 2019 benefit year.
10	Section 8. Effective date.

(1) The treatment of s. 601.85 (4) takes effect on December 31, 2018.

(END)

#### 2019-2020 DRAFTING INSERT FROM THE LEGISLATIVE REFERENCE BUREAU

LRB-6041/P3ins TJD:...

1	INSERT 3-10
2	An emergency rule promulgated by the commissioner under this paragraph
3	before January 1, 2019, remains in effect until it is superseded by a subsequent
4	permanent rule.
5	END INSERT 3-10



## State of Misconsin 2017 - 2018 LEGISLATURE

LRB-6041/P3 TJD:klm&ahe

#### PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

AN ACT to repeal 601.83 (1) (b) and 601.85 (4); to amend 601.83 (1) (a), 601.83 (1) (g) and 601.83 (1) (h); and to create 601.83 (1) (i) of the statutes; relating to: requiring operation of the Wisconsin Healthcare Stability Plan in accordance with federal approval.

#### Analysis by the Legislative Reference Bureau

2017 Wisconsin Act 138 required the commissioner of insurance to administer a state-based reinsurance program, the Wisconsin Healthcare Stability Plan (known as WIHSP), and allowed the commissioner to request a waiver under federal law to implement the plan. Under current law, WIHSP makes a reinsurance payment to a health insurance carrier if the claims for an individual who is enrolled in a health benefit plan with that carrier exceed a threshold amount in a benefit year. The federal DHHS approved the commissioner's waiver request under specific terms and conditions dated July 29, 2018. The bill requires the commissioner to administer WIHSP in accordance with those specific terms and conditions. The bill prohibits the commissioner from requesting modification, suspension, withdrawal, or termination of the waiver unless legislation has been enacted directing the modification, suspension, withdrawal, or termination. The bill requires the commissioner to complete and submit any reports, provide any information, and participate in any oversight activities required by the federal DHHS to implement and maintain WIHSP. The bill sets the payment parameters for WIHSP as specified by the federal

approval for the 2019 benefit year and prohibits the commissioner from changing those payment parameters for the 2019 benefit year.

## The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**SECTION 1.** 601.83 (1) (a) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 (1) (a) Subject to par. (b), the The commissioner shall administer a state-based reinsurance program known as the healthcare stability plan in accordance with the specific terms and conditions approved by the federal department of health and human services dated July 29, 2018. Before December 31, 2023, the commissioner may not request from the federal department of health and human services a modification, suspension, withdrawal, or termination of the waiver under 42 USC 18052 under which the healthcare stability plan under this subchapter operates unless legislation has been enacted specifically directing the modification, suspension, withdrawal, or termination. Before December 31, 2023, the commissioner may request renewal, without substantive change, of the waiver under 42 USC 18052 under which the health care stability plan operates unless legislation has been enacted that is contrary to such a renewal request.

**Section 2.** 601.83 (1) (b) of the statutes, as created by 2017 Wisconsin Act 138, is repealed.

**SECTION 3.** 601.83 (1) (g) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 (1) (g) The commissioner may promulgate any rules necessary to implement the healthcare stability plan under this section, except that any rules promulgated under this paragraph shall seek to maximize federal funding for the

healthcare stability plan and shall comply with this section and with the approval
by the federal department of health and human services dated July 29, 2018. The
commissioner may promulgate rules necessary to implement this section as
emergency rules under s. 227.24. Notwithstanding s. 227.24 (1) (a) and (c), (2), and
(3), the commissioner is not required to provide evidence that promulgating a rule
under this paragraph as an emergency rule is necessary for the preservation of the
public peace, health, safety, or welfare; the rule promulgated by the commissioner
under this paragraph remains in effect until it is superseded by a subsequent
emergency or permanent rule; and the commissioner is not required to provide a
finding of emergency for a rule promulgated under this paragraph. An emergency
$\underline{rule\ promulgated\ by\ the\ commissioner\ under\ this\ paragraph\ before\ January\ 1,\ 2019,}$
remains in effect until it is superseded by a subsequent permanent rule.

SECTION 4. 601.83 (1) (h) of the statutes, as created by 2017 Wisconsin Act 138, is amended to read:

601.83 (1) (h) In 2019 and in each subsequent year, the commissioner may expend no more than \$200,000,000 from all revenue sources for the healthcare stability plan under this section, unless the joint committee on finance under s. 13.10 has increased this amount upon request by the commissioner. The commissioner shall ensure that sufficient funds are available for the healthcare stability plan under this section to operate as described in the approval of the federal department of health and human services dated July 29, 2018.

Section 5. 601.83 (1) (i) of the statutes is created to read:

601.83(1)(i) The commissioner shall complete and submit any reports, provide any information, and participate in any oversight activities required by the federal

1	department of health and human services to implement and maintain the healthcare
2	stability plan under this subchapter.
3	Section 6. 601.85 (4) of the statutes, as created by 2017 Wisconsin Act 138, is
4	repealed.
5	Section 7. Nonstatutory provisions.
6	(1) WISCONSIN HEALTHCARE STABILITY PLAN 2019 PAYMENT PARAMETERS.
7	Notwithstanding 2017 Wisconsin Act 138, SECTION 11 (1), for the 2019 benefit year,
8	the commissioner of insurance shall set as payment parameters for the healthcare
9	stability plan under subch. VII of ch. 601 an attachment point of \$50,000, a
10	coinsurance rate of $50$ percent, and a reinsurance cap of \$250,000. The commissioner
11	of insurance may not adjust the payment parameters for the 2019 benefit year.
12	Section 8. Effective date.
13	(1) The treatment of s. 601.85 (4) takes effect on December 31, 2018.
14	(END)